

REMARKS

Claims 70-86 are presented herewith for the Examiner's review and consideration.

Applicants have carefully considered the comments made in the final office action and have prepared claims that overcome the objections noted therein.

Claims 70-83 are method claims for reducing greenhouse gases (GHG) through the use of a computer-based emission reduction trading system by, in part, establishing a computerized trading platform to which participants can post anonymous offers to sell and anonymous bids to buy tradable instruments so that the participants can collectively act to reduce GHG emissions in the atmosphere. In independent claim 70, the method further comprises guarantying performance by having a financial institution perform some or all of the purchaser or seller participants settlement obligations if they fail to timely perform. In independent claim 78, the method further comprises connecting the platform to a network that allows participants the ability to access the platform to view and post bids; receiving bids and determining auction results based on a single-clearing price method or a discriminating price method and disclosing the results of the auctions including prices to the public.

Claims 83-86 are claims directed to a computer-based emission reduction trading system that reduces greenhouse gases (GHG) by facilitating trading of emission credits by participants so that the participants can collectively act to reduce GHG emissions in the atmosphere. These systems include a computerized trading platform to which participants can post anonymous offers to sell and anonymous bids to buy tradable instruments, the platform including a computer component for conducting trades pursuant to bids and offers posted on the trading platform, administering the settlement of trades of tradable instruments, wherein one or more seller participants arrange for delivery of a quantity of emission credits to the account of one or more buyers. Independent claim 83 further recites that the computer system includes a plurality of computer components such as a component for establishing a standardized tradable instrument that provides a uniform trade size, pricing terms and payment requirements, and a guaranty mechanism wherein a financial institution performs some or all of the settlement obligations of purchaser or seller participants if they fail to timely perform, the performance including one or more of payment for the tradable instruments or delivery of emission credits. Independent claim 86 further recites that the platform includes computerized components for receiving bids and determining auction results based on a single-clearing price method or a discriminating price

method; communicating auction results to a registry database where allowances or offsets are transferred between registry accounts; providing proceeds to auction seller participants pro rata in accordance with the auction results; and disclosing the results of the auctions including prices to the public.

Support for the new claims can be found at paragraphs 39-44, 48-49, 51, 54, 55, and 82-83, and elsewhere throughout the published specification and drawings such that no new matter has been added. Thus, the new claims should be entered at this time to further the prosecution of the application by placing the claims in condition for allowance.

In the final office action, the previous method claims were rejected under 35 USC 101. Some of the system claims were rejected under 35 USC 112 and all of the claims were rejected as being unpatentable over various combinations of prior art references. In response, the current claims have been written in a manner that makes them patentably distinct from the cited documents as well as to fully conform with 35 USC sections 101 and 112.

Regarding the current method claims, the steps of establishing a computerized trading platform to which participants can post anonymous offers to sell and anonymous bids to buy tradable instruments requires a particular device for operation in conformance with 35 USC 101. Also, the guarantying of performance by some or all of the purchaser or seller participants, wherein a financial institution executes payment for the tradable instruments or delivery of emission credits, is a transformation which is also in conformance with 35 USC 101. These features have been added in response to the rejection of the prior claims that suggested that those claims did not recite specific devices or transformations. As these rejections no longer apply, Applicants submit that there are no section 101 insufficiencies in the current claims.

All claims have been written to be in conformance with 35 USC 112. Regarding the recitation of steps in claim 86, it is respectfully submitted that this is acceptable because the steps that are undertaken are conducted by a system component. Accordingly, there are no section 112 insufficiencies in the current claims.

Regarding patentability over the cited references, Applicants note that neither the Sandor nor Acid Rain articles considered alone or in any combination disclose a system or method for establishing a computerized trading platform to which participants can post anonymous offers to sell and anonymous bids to buy with either a standardized tradable instrument that provides a uniform trade size, pricing terms and payment requirements or with the bids made in auctions of

emission allowances or offsets on a trading platform. The office action cites these articles for different reasons but not for the features recited in the current claims. In particular, neither Sandor nor Acid Rain disclose or teach any details of a mechanism for transferring these allowances or offsets, such as for example, by private negotiated transaction, or on an electronic exchange or auction platform. They also do not provide any details or features of what a trading platform would comprise. Accordingly, all current claims are patentable over these articles.

The further references to Soestbergen, Sharp and Bartels or Raines do nothing to remedy the previously-noted deficiencies of Sandor and Acid Rain, nor were those secondary references cited for any of the current claim features that patentably distinguish the current claims.

Soestbergen relates to a computerized system that awards a number of credits for activities that mitigate GHG emissions. The user inputs various activities data and the system calculates a number of credits and places them in an account. While this may be similar to cap and trade or the offset issuance of allowances, these features are not stated in the current claims. Relative to trading in Soestbergen, interested parties can place their credits for sale, and interested buyers can query a database for credits with certain characteristics, and agree to purchase the credits for the price stated. This is different from the listing of a standardized contract representing credits, or the allowing of parties to anonymously post bids and offers. In Soestbergen there is no mention of participant anonymity and no guaranty mechanism; performance security is handled by requiring payment in advance of transfer of credits. The Soestbergen process only protects against delivery if payment has not been made, which is significantly different form the situation where a third party executes an obligation if the primary obligor fails to do so. Settlement would be executed pursuant to the guarantee mechanism in the instant patent, whereas in Soestbergen the transaction never goes forward because of non-payment.

As for the Raines/Bartels applications, these relate to a computer application for managing GHG related activities, including managing a portfolio of credits. The application can reside on local computers or on the internet, but simply allows users to keep record of credits, analyze them, manage them with respect to compliance requirements, and submit offers to sell or bids to buy credits. These elements do not purport to be a trading system as claimed in the present application, but instead are simply a way to keep track of a portfolio of such credits.

In view of the above, it is respectfully submitted that all prior rejections have been overcome and that no such rejections are applicable to new 70-86. Accordingly, the entire application is now in condition for allowance, early notice of which would be appreciated.

Respectfully submitted,

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